

Post Mark Date

June 10, 2010

BEFORE THE STATE ETHICS COMMISSION  
STATE OF GEORGIA

RECEIVED  
JUN 2010

IN THE MATTER OF:

Ralph Hudgens

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CASE NO.

2010-0001

**COMPLIANCE AGREEMENT**

This matter comes before the State Ethics Commission (Commission), pursuant to a complaint filed by Paul Leachman on January 10, 2010, alleging that Respondent Ralph Hudgens violated O.C.G.A. §§ 21-5-30, 21-5-33, and 21-5-34 when Friends of Ralph Hudgens SD-47 transferred money to Friends of Ralph Hudgens Commissioner of Insurance. Respondent agrees to resolve this matter by way of Compliance Agreement.

**FINDINGS AND CONCLUSIONS**

Respondent is the State Senator for District 47 and a candidate for Insurance Commissioner. In 2009, Respondent sought the permission of contributors to his State Senate campaign so that he could transfer their contributions to his campaign for Insurance Commissioner. Respondent sought such permission via a letter sent with his State Senate campaign's letterhead. Respondent maintains that he believed the Ethics in Government Act (Act) allowed for the transfer of funds under these circumstances and Respondent maintains that a former Commission staff member verified that such method was in compliance with the Act. The Act specifically states that one of the enumerated, authorized uses of campaign funds was "[f]or use in future campaigns for only that elective office for which those contributions were received." O.C.G.A. § 21-5-33(b)(1)(D).

The Commission issued an Advisory Opinion in 2008 stating that a contributor's mere authorization to a campaign to subsequently treat a contribution made to one of the candidate's campaigns regarding his or her race for one office as if it were a contribution to the same candidate for his or her race for another office altogether would "constitute a violation of O.C.G.A. § 21-5-33(b)." Nonetheless, Advisory Opinion 2008-03 also states that a contributor's indorsement of a check issued by one campaign over to another campaign of the same candidate would comply with the Act. Comm. Adv. Op. 2008-03.

Respondent states that his campaign for Insurance Commissioner has not used any of the campaign funds originating with his State Senate campaign and no evidence has been discovered showing otherwise. Because the Act states that "use" is prohibited and not "transfer," and because Respondent wishes to comply with the guidance of the Commission in resolving this matter, Respondent agrees to immediately refund the total amount of contributions made to his campaign for Insurance Commissioner that originated with his State Senate campaign. (Should any evidence be discovered in the future to show that Respondent used any portion of these funds for his Insurance Commissioner campaign, the Commission reserves the right to re-open this matter.)

Respondent represents that the foregoing findings of fact are true, agrees to the conclusions of law, and further agrees to abide by all terms thereof. By signing this Order Respondent waives any right to an appeal pursuant to the procedures outlined in O.C.G.A. § 50-13 et seq. Failure to comply with the terms herein absent good faith attempts to comply will constitute a willful and knowing violation of said terms by the Respondent. Respondent's failure to comply with the terms herein shall constitute a breach of this agreement and thereby authorize the Commission to seek an enforcement action against the Respondent. The parties agree that all costs and attorney fees incurred by the Commission in an enforcement action shall be assessed against the Respondent pursuant to O.C.G.A. § 21-5-6(b)(14)(C).

The Commission adopts the foregoing statements and conclusions as the Commission's findings of fact and conclusions of law, and orders the implementation of the terms of this Consent Order.

Signatures attested to on this 16<sup>th</sup> day  
of June, 2010.

By: Elizabeth Whitworth

RESPONDENT

Ralph Hudgens  
Ralph Hudgens

RESPONDENT'S COUNSEL

Robert Highsmith  
Robert Highsmith

SO ORDERED this 17<sup>th</sup> day of August, 2010.

STATE ETHICS COMMISSION

By: James Gatewood  
James Gatewood  
Chairman

Prepared by: Tom Plank  
Tom Plank  
Acting Executive Secretary